

**Lion Athletics Association**

Financial Report

Year Ended June 30, 2022

## Table Of Contents

	Page
<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statement Of Financial Position	4
Statement Of Activities And Changes In Net Assets	5
Statement Of Functional Expenses	6
Statement Of Cash Flows	8
Notes To Financial Statements	9

# **PEDELAHORE & CO., LLP**

*Certified Public Accountants*

## Independent Auditor's Report

To the Board of Directors  
Lion Athletics Association  
Hammond, Louisiana

### **Opinion**

We have audited the accompanying financial statements of Lion Athletics Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lion Athletics Association as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis For Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lion Athletics Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities Of Management For The Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lion Athletics Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities For The Audit Of The Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lion Athletics Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lion Athletics Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Report On Summarized Comparative Information**

We have previously audited Lion Athletics Association's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Redelahr & Co. CPA*

Metairie, Louisiana  
December 7, 2022

**Lion Athletics Association**  
**Statement Of Financial Position**  
June 30, 2022  
(With Comparative Totals For 2021)

	<u>Assets</u>	
	<u>2022</u>	<u>2021</u>
<b>Current Assets</b>		
Cash	\$ 1,209,801	\$ 538,499
Accounts receivable	142,404	160,812
Prepaid expenses	<u>1,326</u>	<u>1,512</u>
Total current assets	<u>1,353,531</u>	<u>700,823</u>
<b>Property, Plant And Equipment</b>		
Facility improvements	1,496,566	1,377,368
Machinery and equipment	332,260	318,445
Office furniture and equipment	<u>18,162</u>	<u>15,537</u>
	1,846,988	1,711,350
Less accumulated depreciation	<u>910,600</u>	<u>1,065,070</u>
	<u>936,388</u>	<u>646,280</u>
	<u>\$ 2,289,919</u>	<u>\$ 1,347,103</u>
<b><u>Liabilities And Net Assets</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 576,320	\$ 150,550
Due to concessions	2,800	2,800
Deferred revenue	54,867	16,761
Current maturities of long-term debt	<u>106,702</u>	<u>56,114</u>
Total current liabilities	<u>740,689</u>	<u>226,225</u>
<b>Long-term Liabilities</b>		
Long-term debt, net of current maturities	<u>744,491</u>	<u>305,797</u>
<b>Net Assets</b>		
Without Donor Restrictions	79,574	139,567
With Donor Restrictions	<u>725,165</u>	<u>675,514</u>
	<u>804,739</u>	<u>815,081</u>
	<u>\$ 2,289,919</u>	<u>\$ 1,347,103</u>

The Notes To Financial Statements are an integral part of these statements.

**Lion Athletics Association**  
**Statement Of Activities And Changes In Net Assets**  
**Year Ended June 30, 2022**  
**(With Comparative Totals For 2021)**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Totals</u>	
			<u>2022</u>	<u>2021</u>
<b>Revenue And Other Support</b>				
Contributions of cash and other financial assets	\$ 5,450	\$ 141,112	\$ 146,562	\$ 123,340
Sponsors	1,047,391	19,980	1,067,371	1,013,732
Ticket fees	130,984	-	130,984	83,513
Contributions of nonfinancial assets	21,766	93,177	114,943	155,297
Memberships	-	69,374	69,374	69,789
Special events/tournaments	-	13,270	13,270	43,830
Concession sales - net of cost of goods sold	145,084	-	145,084	103,951
Other revenue	<u>78,264</u>	<u>226,071</u>	<u>304,335</u>	<u>121,385</u>
	<u>1,428,939</u>	<u>562,984</u>	<u>1,991,923</u>	<u>1,714,837</u>
Net Assets Released From Restrictions				
Satisfaction Of Program Restrictions	<u>513,333</u>	<u>(513,333)</u>	<u>-</u>	<u>-</u>
Expenses				
Program	1,214,713	-	1,214,713	657,044
Management and general	531,188	-	531,188	431,318
Fundraising	<u>256,364</u>	<u>-</u>	<u>256,364</u>	<u>217,341</u>
	<u>2,002,265</u>	<u>-</u>	<u>2,002,265</u>	<u>1,305,703</u>
<b>Changes In Net Assets</b>	(59,993)	49,651	(10,342)	409,134
Net Assets - Beginning Of Year	<u>139,567</u>	<u>675,514</u>	<u>815,081</u>	<u>405,947</u>
<b>Net Assets - End Of Year</b>	<u>\$ 79,574</u>	<u>\$ 725,165</u>	<u>\$ 804,739</u>	<u>\$ 815,081</u>

The Notes To Financial Statements are an integral part of these statements.

**Lion Athletics Association**  
**Statement Of Functional Expenses**  
Year Ended June 30, 2022  
(With Comparative Totals For 2021)

2022

	Program							
	<u>Baseball</u>	Men's <u>Basketball</u>	Women's <u>Basketball</u>	<u>Football</u>	<u>Golf</u>	<u>Soccer</u>	<u>Softball</u>	<u>Tennis</u>
Interest	\$ -	\$ -	\$ -	\$ 10,529	\$ -	\$ 10,528	\$ -	\$ -
Signs	1,349	-	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-	-	-
Broadcasting	1,600	1,000	-	3,825	-	-	-	-
Hospitality/marketing	7,683	12,368	602	31,817	204	4,536	1,432	147
Operating expenses	-	424	-	1,674	-	110	187	115
Sponsorship expenses	-	-	-	-	-	-	-	-
Printing	3,615	4,592	2,370	6,465	-	850	3,125	119
Recruiting	-	158	-	-	-	88	128	-
Supplies/equipment/uniforms	-	-	-	-	-	-	-	-
Facility Improvements	-	-	-	27,588	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-
In kind expense	19,702	8,704	14,204	31,141	-	4,100	4,997	-
Depreciation	52,322	6,001	7,441	34,168	-	32,426	-	1,314
Insurance	-	-	-	-	-	-	-	-
Salary and benefits	93,833	15,274	14,656	153,828	2,825	-	16,477	-
Telephone	-	-	-	-	-	-	-	-
Transfers to Southeastern	44,173	8,120	756	71,492	15,077	1,973	872	9,670
Transfers to Southeastern Facilities	119,312	-	-	-	-	-	-	-
Travel	-	1,040	-	737	-	-	-	-
Team travel	-	-	-	3,627	-	465	-	-
Medical	-	2,395	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-
	<u>\$ 343,589</u>	<u>\$ 60,076</u>	<u>\$ 40,029</u>	<u>\$ 376,891</u>	<u>\$ 18,106</u>	<u>\$ 55,076</u>	<u>\$ 27,218</u>	<u>\$ 11,365</u>

2022

2021

Program					Supporting Activities			
Track	Volleyball	Cheer	All Other Funds	Total Program Expenses	Management and General	Fundraising	Total Expenses	Total Expenses
\$ -	\$ -	\$ -	\$ -	\$ 21,057	\$ 14,536	\$ -	\$ 35,593	\$ 15,013
-	-	-	-	1,349	8,018	-	9,367	6,048
-	-	-	-	-	7,463	5,388	12,851	12,382
-	-	-	-	6,425	-	-	6,425	18,400
715	289	307	1,000	61,100	151,125	-	212,225	72,087
125	-	186	872	3,693	53,585	-	57,278	69,244
-	-	-	-	-	-	194,640	194,640	192,306
-	850	-	-	21,986	14,881	-	36,867	27,267
-	-	-	-	374	-	-	374	-
-	-	2,833	-	2,833	-	-	2,833	10,849
-	-	-	-	27,588	-	-	27,588	-
-	-	-	-	-	-	56,336	56,336	18,264
-	-	-	2,229	85,077	29,866	-	114,943	155,297
-	-	-	1,858	135,530	41,126	-	176,656	128,431
-	-	-	-	-	5,425	-	5,425	2,170
9,603	13,642	-	-	320,138	183,541	-	503,679	457,515
-	-	-	-	-	20,182	-	20,182	21,857
4,571	23,186	10,697	203,800	394,387	-	-	394,387	88,518
-	-	-	-	119,312	-	-	119,312	484
-	-	-	-	1,777	1,440	-	3,217	3,436
-	-	-	-	4,092	-	-	4,092	1,135
-	-	-	-	2,395	-	-	2,395	-
-	-	5,600	-	5,600	-	-	5,600	5,000
<u>\$ 15,014</u>	<u>\$ 37,967</u>	<u>\$ 19,623</u>	<u>\$ 209,759</u>	<u>\$ 1,214,713</u>	<u>\$ 531,188</u>	<u>\$ 256,364</u>	<u>\$ 2,002,265</u>	<u>\$ 1,305,703</u>

The Notes To Financial Statements are an integral part of these statements.

**Lion Athletics Association**  
**Statement Of Cash Flows**  
Year Ended June 30, 2022  
(With Comparative Totals For 2021)

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (10,342)	\$ 409,134
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	176,656	128,431
Donation of asset	119,312	-
(Increase) decrease in:		
Accounts receivable	18,408	(127,489)
Prepaid expenses	186	(1,512)
Increase (decrease) in:		
Accounts payable	425,770	100,291
Deferred revenue	<u>38,106</u>	<u>(52,459)</u>
Net cash provided (used) by operating activities	<u>768,096</u>	<u>456,396</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	<u>(586,076)</u>	<u>(6,437)</u>
Net cash provided (used) by investing activities	<u>(586,076)</u>	<u>(6,437)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from long-term debt	567,636	-
Payments on long-term debt	<u>(78,354)</u>	<u>(99,513)</u>
Net cash provided (used) by financing activities	<u>489,282</u>	<u>(99,513)</u>
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>671,302</b>	<b>350,446</b>
Cash and cash equivalents at beginning of year	<u>538,499</u>	<u>188,053</u>
Cash and cash equivalents at end of year	<u>\$ 1,209,801</u>	<u>\$ 538,499</u>
Supplementary disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 35,593</u>	<u>\$ 15,013</u>

The Notes To Financial Statements are an integral part of these statements.

**Lion Athletics Association**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 1. Summary Of Significant Accounting Policies**

Nature of Organization

Lion Athletics Association (the Association) was incorporated on March 18, 1982, under the provisions of Louisiana Revised Statute 12:201 as a nonprofit corporation. The Association was formed to promote and support, on all levels, the Southeastern Louisiana University Athletics Programs. These programs include baseball, basketball, football, golf, soccer, softball, tennis, track, volleyball, cheer, athletic training and weight training. The Association is supported primarily through contributions from corporate sponsors and private donors.

Basis of Accounting

The accompanying financial statements of the Association have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Recent Accounting Pronouncements

The Association adopted, ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures of Not-for-Profit Entities for Contributed Non-financial Assets* for the year ended June 30, 2022. The ASU requires not-for-profit entities to present contributed non-financial assets (commonly referred to as gifts-in-kind) as a separate line item in the statement of activities, apart from contributions of cash and other financial assets.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the Association is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board may designate, from net assets without donor restrictions net assets for an operating reserve or board-designated endowment.

**Lion Athletics Association**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 1. Summary Of Significant Accounting Policies (continued)**

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**Revenue and Support Recognition**

Revenues are reported as increased in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains or losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

**Contributions**

The Association recognized contributions as revenue when they are received or unconditionally pledged and records these revenue as with donor restriction or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities as net assets released from restrictions.

Contributions of nonfinancial assets are recognized at their estimated fair market values at the date of the donation within the statement of activities. These contributions are reported as a contribution with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When the donor restriction expires, that is, when some stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets release from restrictions within the statement of activities.

**Lion Athletics Association**  
Notes To Financial Statements  
Year Ended June 30, 2022

**Note 1. Summary Of Significant Accounting Policies (continued)**

**Other Revenues**

Performance obligations are determined based on the nature of the goods or services provided by the association in accordance with the contract. Revenue for performance obligations satisfied over time is recognized ratably of the period based on time elapsed. The Association believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Revenues without donor restriction are obtained from concession sales, sponsors, ticket fees, and special events. These revenues are recorded when the service is provided, or the merchandise is sold. Ticket fees are recorded when the tickets are used. Concessional sales are recorded as revenue upon transfer of the goods to the purchaser. Memberships and sponsors, considered to be exchange transactions, are deferred and recognized on a pro-rata basis over the related membership and sponsor terms. Membership fees and sponsors that carry benefits that can be utilized in future periods have been recorded as deferred revenue in the statements of financial position.

**Cash and Cash Equivalents**

The Association considers all short term investments with an original maturity of three months or less to be cash equivalents.

**Promises to Give**

Contributions are recognized when the donor makes a promise to give the Association that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Lion Athletics Association**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 1. Summary Of Significant Accounting Policies (continued)**

**Property, Plant and Equipment**

Property, plant and equipment utilized by the Association are generally not recorded on the financial statement of the Association, as these assets are owned by Southeastern Louisiana University. For those assets owned by the Association, purchased property and equipment greater than \$1,000 is carried at cost; while donated property and equipment is recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over an estimated life between five and twenty-five years.

Depreciation expense for the year ended June 30, 2022, was \$176,656.

**Donated Services**

A significant portion of the Association's functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirement for recognition under FASB recommendations for not-for-profit entities.

**Income Tax Status**

Under provisions of the Internal Revenue Code, Section 501(c)(3), and the applicable income tax regulations of Louisiana, the Association is exempt from taxes on income other than unrelated business income. The Association has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(VI). Since the Association had no unrelated business income during the year ended June 30, 2022, no provision for income tax was made. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments for or disclosures in the financial statements.

Also, the Association's federal income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those returns. In general, federal income tax returns have a three year statute of limitations.

**Lion Athletics Association**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 1. Summary Of Significant Accounting Policies (continued)**

Accounts Receivable

Accounts receivable represent amounts due the Association. They are stated at amounts management expects to collect from outstanding balances. An allowance for doubtful accounts is recorded based on a combination of write-off history, ageing analysis and any specific known troubled account. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The allowance account was \$-0- at June 30, 2022. At June 30, 2022, accounts receivable consist of the following:

Sponsorships	\$ 42,270
Southeastern Louisiana University	96,277
Others	<u>3,857</u>
	<u>\$ 142,404</u>

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort.

Deferred Revenue

Lion Athletics Association adopted FASB ASC 210, which states that collections received in advance of the delivery of goods or performance of services are to be included in liabilities, known as deferred revenues, which consisted of sponsorships, memberships, ticket fees and a la carte items. Deferred income was \$54,867 at June 30, 2022. The revenue from these contracts will be recognized in the year the athletic season associated with the item is completed.

Advertising

The Association's policy is to expense advertising costs as the costs are incurred. Advertising costs for the year ended June 30, 2022 was \$29,124.

**Lion Athletics Association**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 1. Summary Of Significant Accounting Policies (continued)**

Accounting Pronouncements Issued Not Yet Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842), Targeted Improvements, to simplify the lease standard's implementation. The amended guidelines relieves businesses and other organizations from the requirement to present prior comparative years' results when they adopt the new lease standard. Instead of recasting prior year results using the new accounting when they adopt the guidance, companies can choose to recognize the cumulative effect of applying the new standard to leased assets and liabilities as an adjustment to the opening balance of net assets. This standard is effective for annual periods beginning after December 15, 2021. The Association is currently assessing the impact of this pronouncement on its financial statements.

**Note 2. Contributed Nonfinancial Assets**

For the year ended June 30, 2022, contributed nonfinancial assets recognized within the statement of activities included:

Food	\$ 14,714
Courtesy Cars	66,700
Hotel rooms	13,429
Equipment	8,100
Services/support	<u>12,000</u>
	<u>\$ 114,943</u>

The Association recognized contributed nonfinancial assets within revenue, including a contributed food, courtesy cars, hotel rooms, equipment/supplies and professional services/support. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Courtesy cars were utilized by football, soccer, baseball, and basketball coaches and the administration. The Association estimates fair value of the vehicle, then using Internal Revenue Service annual lease value table calculates an estimated fair value of the courtesy car.

**Lion Athletics Association**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 2. Contributed Nonfinancial Assets (continued)**

Contributed food was utilized by the various programs to provide food to students, coaches and administration. Contributed equipment was utilized by concessions. In valuing food and equipment the Association estimated the fair value on the basis of estimates of values that would be received for selling similar products in the United States.

Contributed hotel rooms were utilized by baseball and softball. The Association estimates fair value as the cost of comparable rooms at the hotel in the area.

Contributed services/support recognized include standby ambulance services provided at football games. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

**Note 3. Net Assets With Donor Restrictions**

Net Assets With Donor Restrictions are for the following programs or purpose at June 30, 2022:

Baseball and baseball facility	\$ 69,304
Men's basketball	44,572
Women's basketball	46,385
Football	167,502
Golf	17,241
Soccer and soccer facility	45,379
Softball	51,808
Tennis	12,928
Track and track facility	46,026
Athletic training	4,497
Volleyball	40,246
Cheer	85,231
Student athletic advisory committee	3,484
Weight training program	57,653
All other general funds	<u>32,909</u>
	<u>\$ 725,165</u>

**Lion Athletics Association**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 3. Net Assets With Donor Restrictions (continued)**

Changes in Net Assets With Donor Restrictions for the fiscal year ended June 30, 2022 are as follows:

Net Assets With Donor Restrictions at July 1, 2021	\$ 675,514
Increase in Net Assets With Donor Restrictions	562,984
Net Assets Released from Restrictions	<u>(513,333)</u>
 Net Assets With Donor Restrictions at June 30, 2022	 <u>\$ 725,165</u>

**Note 4. Lease**

In connection with the installation of artificial turf and drainage at Strawberry Field, the Association (Tenant) entered into an agreement with the Board of Supervisors for University of Louisiana System acting on behalf of Southeastern Louisiana University (Landlord), a political subdivision of the State of Louisiana effective April 23, 2020, to lease property located in Hammond, Louisiana. The Association had previously installed artificial turf and drainage on the leased premises. The term of lease commenced on the effective date of the agreement for a term of 9 years. The consideration of the lease is the construction of improvements by the Tenant's improvements through the remaining term of the lease. Conditions of the lease also provide that the leased premises are to be used by Southeastern Louisiana University. The Tenant agrees to assume responsibility for maintenance, repair, and replacement obligations, all taxes, and insurance in amounts reasonably satisfactory to the Tenant.

**Note 5. Long-term Debt**

The Association has a note payable, dated March 17, 2017 refinanced May 26, 2021, to pay for turf on the baseball field and for the baseball scoreboard. Monthly payments are \$3,655.34, including interest and principal. The interest rate on this note is subject to change from time to time based on changes in an independent index. The Index currently is 5.00% per annum. The loan has a maturity date of June 5, 2028. The loan balance at June 30, 2022, was \$231,571.

The Association has a note payable, dated September 14, 2018, to pay for turf on the softball field. Monthly payments are \$2,197.13, including interest and principal. The interest rate on this note is subject to change from time to time based on changes in an independent index. The Index currently is 6.00% per annum. The loan has a maturity date of September 14, 2023 with a balloon payment of the entire unpaid balance of principal and interest due at that time. The loan balance at June 30, 2022, was \$74,646.

**Lion Athletics Association**  
**Notes To Financial Statements**  
**Year Ended June 30, 2022**

**Note 5. Long-term Debt (continued)**

The Association has a note payable, dated May 26, 2021 to pay for turf for the football field. Monthly payments are \$6,113.17. The interest rate on this note is subject to change from time to time based on changes in an independent index. The Index currently is 4.25% per annum. The loan has a maturity date of June 5, 2026 with a balloon payment of the entire unpaid balance of principal and interest due at that time. As of June 30, 2022, the loan balance was \$544,976

Interest expense paid and incurred was \$35,593 as of June 30, 2022.

The future maturities of these notes payable as of June 30, 2022, are as follows:

2023	\$ 106,702
2024	140,259
2025	92,201
2026	423,095
2027 and thereafter	<u>88,936</u>
	<u>\$ 851,193</u>

**Note 6. Concentration Of Risk**

**Concentration of credit risk arising from cash deposits**

The Association maintains its cash balances at banks that are insured by the Federal Deposit Insurance Corporation. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2022, the balance in the bank exceeded the limit by approximately \$993,000.

**Concentration of credit risk due to accounts receivable**

Credit risk for accounts receivable can be concentrated if substantially all of the balances are receivable from entities located within the same geographic region. As of June 30, 2022, accounts receivable was \$142,404 and allowance for doubtful accounts was \$-0-. At June 30, 2022, approximately 70% or \$96,277 of the accounts receivables is due from Southeastern Louisiana University.

**Lion Athletics Association**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 7. Related Party Transactions**

The Association occupies an office provided by Southeastern Louisiana University. Since the value of the facilities used by the Association is not readily determinable, no related donation income or rent expense is recorded. In addition, and in accordance with Louisiana Revised Statutes 17:3390, the Association is of the opinion that all expenditures and in-kind services, except unrestricted funds used for administration, benefit the University. These amounts greatly exceed the cost of housing, personnel, and other support furnished to the Association by the University.

Financial services for the Association are performed by Southeastern Louisiana University Foundation employees. The Association paid \$20,288 to the Foundation for the year ended June 30, 2022, for these services.

**Note 8. Fundraising Expense Ratio**

The following represents the entity's fundraising expense ratio for the year ended June 30, 2022:

Total support generated in the statement of activities	\$ 1,328,875
Fundraising expense	\$ 256,364
Fundraising expense ratio	19%

**Note 9. Contingencies**

The Association is occasionally involved in litigation and regulatory investigations arising in the ordinary course of operations. While the ultimate outcome of these matters is not presently determinable, it is the opinion of management that the resolution of outstanding claims will not have a material adverse effect on the financial position or results of operations of the Association.

The Association is liable to some Athletic coaches in the event the team reaches certain achievements or if the coach is terminated. The amounts vary by contract. The ultimate outcome of these matters is uncertain. It is the opinion of management such matters will not have a material effect upon the financial position of the Association.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to impact the contributions and revenue for the Association. At this time the financial impact is unknown.

**Lion Athletics Association**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 10. Comparative Totals For 2021**

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

**Note 11. Liquidity And Availability Of Financial Assets**

The following reflects the Association's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Cash and equivalents	\$1,209,801
Accounts receivable	<u>142,404</u>
 Total financial assets at year-end	 1,352,205
 Less those unavailable for general expenditures within one year:	   <u>-</u>
 Financial assets available to meet cash needs for general expenditure within one year	   <u>\$1,352,205</u>

As part the Association's liquidity management, the Association invests cash in excess of daily requirements in short term investments, typically interest earning checking accounts.

**Note 12. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 7, 2022.